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ATTACHMENT 18

FORMAL COMPLAINT OF INTERNATIONAL TELECARD ASSOCIATION

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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JUN 1 1 1997
Enforcement Division

International Telecard Association, Access Telecommunications, Inc., Global Link Telco Corporation, Innovative Technologies Corporation	)	
Complainants,	)	
v.	)	File No.: E-97-38
Sprint Communications Company, L.P.	)	
Defendant.	)	

FORMAL COMPLAINT

The International Telecard Association ("ITA"), Access Telecommunications, Inc., Global Link Telco Corporation, and Innovative Technologies Corporation (collectively "Complainants"), pursuant to Sections 206-09 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 206-09, and Section 1.720 *et seq*. of the Commission's Rules, 47 C.F.R. § 1.720 *et seq*., hereby file this formal complaint against Sprint Communications Company, L.P. ("Sprint"). Complainants respectfully request that the Federal Communications Commission ("Commission") find that Sprint has violated Section 201(b) of the Act, 47 U.S.C. § 201(b), by filing tariff revisions that charge prepaid telephone calling card providers unlawful and unreasonably high per-call surcharges for all originating payphone traffic. Complainants further request that the Commission require that Sprint immediately cease from imposing these charges and refund any charges, with interest, collected to date.

INTRODUCTION

1. This complaint challenges Sprint's application of per-call surcharges for toll-free "800" services that purportedly recover "payphone compensation" costs assessed on Sprint by payphone service providers. Toll-free access services are essential to the business and economic vitality of the highly competitive prepaid calling card market, in which Complainants and ITA members operate. Although this Commission has unequivocally ruled that prepaid calling card calls are not subject to payphone compensation unless they are completed to the called party -- and not merely by the end user's reaching the "800" carrier's switching platform -- Sprint's tariff imposes a per-call charge on all payphone originated phonecard traffic. Since approximately 50% of phonecard calls are not completed, Sprint's per-call surcharges are at least double what they may lawfully be for phonecard providers that use Sprint's "800" service for end user access purposes.

2. The Commission's payphone compensation orders (CC Docket No. 96-128) divided the compensation responsibilities of interexchange carriers ("IXCs") into multiple phases, under which IXCs pay a flat-rate amount, per payphone, until October 1997. Sprint's tariffed surcharges are inconsistent with this transition plan in that they assess per-call charges to recover non traffic-sensitive costs, and are unlawful under long-standing Commission precedent. Furthermore, the rate levels for Sprint's surcharges ($0.15 initially, and increased to $0.35 on April 1, 1997) are plainly excessive, have never been cost-justified, and are orders of magnitude higher than Sprint's actual payphone compensation costs. Complainants estimate that Sprint's tariffed surcharge rates will generate a windfall of more than $23 million during the period December 1,

1996 through October 1, 1997. This windfall does not factor in the reduction of payphone compensation obligations associated with Sprint's own payphones, increased revenues associated with Sprint's own payphones, reductions in access charge costs and public interest payphones. If these factors are included, Sprint's windfall is likely to balloon to over $35 million. Consequently, Sprint's per-call surcharges are unreasonable on their face under the Act and, if not promptly corrected, will cause substantial economic and competitive injury to providers of prepaid calling cards that use Sprint as their provider for "800" access services.

PARTIES

3. Complainant International Telecard Association ("ITA") is an association organized and existing under the laws of the District of Columbia with its principal place of business at 904 Massachusetts Ave., NE, Washington D.C. 20002. ITA is the national trade association representing providers of prepaid telephone calling card services, commonly known as "telecards" or "phonecards." ITA files this complaint on behalf of its members, which include more than 100 companies that provide phonecards and prepaid calling card services.[1]

4. Complainant Access Telecommunications, Inc. ("Access Telecom") is a corporation organized and existing under the laws of the State of Florida with its principal place of business at 20 N. Orange Ave., Orlando, FL 32801. Access Telecom provides phonecard services using Sprint as its underlying IXC, and has received a bill

[1] AT&T, Cable & Wireless, Continental Plastic Card Company, Frontier Communications, MCI, Sprint and Worldcom, while members of ITA, are not participating in this complaint.

from Sprint accessing charges for originating payphone calls under the tariffs challenged in this complaint action.

5. Complainant Global Link Telco Corporation ("Global Link") is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 5697 Rising Sun Avenue, Philadelphia, Pennsylvania 19120. Global Link provides phonecard services using Sprint as its underlying IXC, and has received a bill from Sprint accessing charges for originating payphone calls under the tariffs challenged in this complaint action.

6. Complainant Innovative Technologies Inc. ("Innovative") is a corporation organized and existing under the laws of the state of New Hampshire with its principal place of business at 2 Harrison Street, Nashua, New Hampshire 03060. Innovative provides phonecard services using Sprint as its underlying IXC.

7. On information and belief, defendant Sprint Communications Company, L.P. ("Sprint") is a limited partnership organized and existing under the laws of the State of Delaware with its principal place of business at 8140 Ward Parkway, Kansas City, Missouri 64114. Sprint is a communications common carrier providing interstate telecommunications subject to Title II of the Communications Act.

STATEMENT OF FACTS

8. As resellers of IXC telecommunications services, Complainants and other ITA members rely on IXCs, such as Sprint, to provide services that are reasonably priced. Phonecard providers typically purchase service from IXC toll-free "800" (or "888") service tariffs and cannot easily switch carriers without incurring significant costs because of charges associated with the installation of facilities connecting IXC

switches to phonecard switch platforms and because phonecard providers typically enter into long-term contracts with their underlying carriers. Phonecard services are among the most competitive in the telecommunications industry, with rates ranging from 15 to 50 cents per minute for an interstate call.

9. When a caller places a call using a typical phonecard, he dials a toll-free "800" (or "888") number. Typically, the call is routed by the local exchange carrier ("LEC") over an IXC's network to the phonecard provider's switch, which verifies the caller account and instructs the caller to enter the telephone number of the party he wishes to be connected with. Upon receiving this information, the phonecard provider's switch platform routes the call to an IXC, or in limited cases, a LEC network, and call routing proceeds as if it would with any telephone call. Approximately 50% of these call attempts result in a call being completed, with a connection being established between the calling and called party. On calls that are not completed (busy, no answer, misdials, etc.), the phonecard provider does not "decrement" any value (i.e., receives no revenue) from the caller's card.

10. Section 276 of the Telecommunications Act of 1996 ("1996 Act") requires that the Commission "establish a per call compensation plan to ensure that all payphone service providers are fairly compensated for each and every completed intrastate or interstate call using their payphone." 47 U.S.C. § 276(b)(1)(A).

11. The Commission has adopted two orders implementing Section 276 and the Common Carrier Bureau has adopted two orders related to Section 276. On September 20, 1996 the Commission adopted a Report and Order that established

regulations implementing this section.[2] On November 8, 1996 the Commission adopted an Order on Reconsideration that clarified aspects of the Report and Order.[3] On April 4, 1997 the Common Carrier Bureau adopted an Order that clarified and granted a limited waiver of LEC obligations under the Report and Order.[4] On April 15, 1997 the Common Carrier Bureau adopted another Order that granted an additional limited waiver that was requested by all RBOCs.[5]

12. The key provisions of these Orders related to this Complaint are as follows. First, the Commission estimated for purposes of calculating IXC payphone compensation obligations that there are approximately 1,500,000 LEC provided payphones and 350,000 competitively provided payphones. Order at ¶ 10. Second, the Commission concluded that a "completed call" is a call that is answered by the called party. *Id.* at ¶ 63. Thus, in the phonecard call scenario, when a call reaches the phonecard switch platform, but no connection is made between the calling party and called party, the call is *not* considered completed for the purpose of payphone compensation. For such calls, IXCs are not required to compensate payphone providers. Third, the Commission determined that IXCs did not have the mechanisms in place to track and bill for calls on a per-call basis, so it established an interim

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[2] *Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act*, CC Docket No. 96-128, Report and Order, FCC 96-388 (rel. Sept. 20, 1996) ("Order").

[3] *Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act*, CC Docket No. 96-128, Reconsideration Order, FCC 96-439 (rel. Nov. 8, 1996) ("Reconsideration Order").

[4] *Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act*, Order, CC Docket 96-128, DA 97-678 (Common Carrier Bureau, rel. Apr. 4, 1997)

[5] *Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act*, Order, CC Docket 96-128, DA 97-805 (Common Carrier Bureau, rel. Apr. 15, 1997)

compensation plan based on a flat fee that lasts from November 6, 1996 to October 1, 1997. *Id.* at ¶¶ 96, 119.

13. The Commission ruled that during this interim period, payphone providers would collect $45.85 per payphone from IXCs with more than $100 million in annual revenues. *Id.* at ¶ 125. Each IXC must pay a portion of the $45.85 based on its percentage of total IXC revenues. *Id.* The Commission calculated this compensation by multiplying the average number of dial around calls placed from a payphone times a compensation rate for each call. *Id.* It determined that on average, 131 dial around calls (approximately 45 access code calls and 86 toll free subscriber calls) were placed from each payphone per month and that it should use a rate of $0.35 per call. Under this interim plan, Sprint must pay $4.97 per payphone each month. *Id.* at Appendix F. The Commission further stipulated, as required by the 1996 Act, that LECs could not receive this compensation prior to meeting several requirements and at the earliest would not be permitted to collect these fees prior to April 15, 1997. Reconsideration Order at ¶ 130. One of these requirements is that they remove all payphone costs from Carrier Common Line ("CCL") charges. *Id.* at ¶ 131. Thus, the amount IXCs must pay to payphone providers is offset, at least in part, by an amount they no longer must pay the LECs as a result of the removal of payphone subsidies from access charges.

14. On November 27, 1996 Sprint filed a revision to its Tariff F.C.C No. 2 that established a "Resale Solutions Payphone Surcharge." *See* Exhibit A. Under this surcharge, resellers must pay Sprint "a per call surcharge of $0.15 for all originating payphone traffic including . . . Prepaid Card service traffic." The charge expressly applies to all payphone originated calls, whether or not a phonecard call placed using

Sprint's service for access is actually completed. On December 12, 1996 Sprint sent letters to its customers explaining the increases. See Exhibit B.

15. Sprint has sought to justify the $0.15 per call charge on several grounds, none of which are correct. First, Sprint estimated that its monthly costs resulting from payphone compensation charges will be $2.5 million. Exhibit B at 1. It indicates that this amount was determined based on an estimated number of private payphones of 500,000 and that Sprint's wholesale portion of this amount was calculated by quantifying the actual wholesale percentage of Sprint's total payphone originating traffic for the month of September 1996. *Id.* at 3. Significantly, Sprint's estimate of the number of private payphones is 150,000 phones greater than the estimate used by the FCC and 100,000 to 150,000 phones greater than the estimate provided by the PPO Compensation Clearinghouse. *See* Exhibit C. Sprint also notes that it filed "retail tariff changes to recover these costs [costs associated with payphone compensation] from retail customers as well as from wholesale applications." Exhibit B at 3.

16. Second, Sprint indicates that the charges will apply only to completed calls, *id.* at 2, but provides no indication how this will be determined. In fact, Sprint's tariff states expressly that compensation will be collected on *all* calls that are payphone originated. Furthermore, in Sprint's comments during the payphone compensation proceeding, it stated that "IXCs will need additional time to develop systems necessary to accurately track all types of completed calls." Sprint Comments of July 1, 1996 at 13. Sprint specifically referenced the phonecard call scenario when discussing these difficulties in measuring call completion. *Id.*

17. On March 29, 1997, Sprint filed another revision to its Tariff F.C.C. No. 2 that increased this surcharge to $0.35. *See* Sprint Tariff Transmittal No. 268, March 31, 1997. Sprint provided a letter to its resale customers explaining that this increase was because "LEC owned payphones have also become compensable." *See* Exhibit D. As a result, Sprint stated that the projected cost to Sprint has grown from approximately $2.5 million to in excess of $12 million per month. *Id.* at 1. Furthermore, Sprint indicated that the $0.35 charge would be retroactive to January 1, 1997. *Id.* at 2. The analysis below assessing the level of Sprint overcharges assumes that Sprint began collecting the $0.35 charge on April 1, 1997 consistent with the effective date of its tariff. If Sprint, however, retroactively and illegally seeks to impose the $0.35 to calls placed beginning January 1, 1997, these overcharges would be significantly higher.

18. The reasonableness of Sprint's surcharges may be assessed by examining (1) the cost assumptions applied by Sprint to set the surcharge levels relative to the Sprint's actual compensation costs, and (2) Sprint's surcharge relative to other IXCs' charges to recover payphone compensation charges. These two factors must be examined during two time periods. The first period is from December 1, 1996 to April 1, 1997. During this period Sprint's tariffed surcharge was $0.15 and it was required to pay compensation for only completed calls from private payphones. The second period is from April 1, 1997 to October 1, 1997. During this period Sprint's tariffed surcharge is $0.35 and (except for the initial two weeks) it is required to pay compensation for completed calls from both private payphones and LEC payphones, provided that LECs meet several Commission obligations. In each of these periods, as addressed below,

Sprint's surcharges were unreasonable and excessive, yielding an unwarranted windfall unrelated to the payphone compensation costs that the surcharges allegedly recover.

PERIOD 1: 12/1/96 to 4/1/97

19. During the period December 1, 1996 to April 1, 1997, Sprint's total costs associated with payphone compensation can be estimated by multiplying the number of privately owned payphones (350,000) times the amount Sprint must pay per month ($4.97) per phone.[6] This equals $1,739,500 per month, or $760,500 less than the amount Sprint has indicated that it used as the basis for setting the $0.15 per-call surcharge. Over the four month period from December 1, 1996 to April 1, 1997 this would amount to an overcharge of more than $3 million.

20. Because Sprint intends to bill phonecard providers for all calls placed from payphones and does not distinguish between calls originating from a private or LEC payphone or distinguish between completed or uncompleted calls, the appropriate surcharge can be calculated by multiplying $0.35 times the fraction of calls subject to compensation during this period as determined by the type of payphone from which they originated (350,000/1,850,000),[7] times the percentage of complete calls (50%). Using this approach yields a surcharge of approximately $0.033 per call on all calls. Thus, Sprint's $0.15 rate is 355% higher than the rate that Sprint would need to recover its costs actually attributable to phonecard providers as a result of the interim payphone

[6] Some payphones may be deemed to be "public interest payphones" and subject to other cost recovery mechanisms determined by state utility commissions, thereby reducing the total number of payphones subject to IXC per call compensation. Order at ¶¶284-85. While noted, this factor is not considered in the calculations. If it were, it would increase the level of overcharges.

[7] The numerator equals the number of independent payphones (350,000) and the denominator equals the total number of payphones which is the sum of the number of independent payphones (350,000) plus the number of LEC payphones (1,500,000).

compensation plan.

21. Additionally, Sprint's $0.15 charge is approximately 2122% higher than the rate increase applied by AT&T to respond to its identical interim payphone compensation obligations. During this period AT&T elected not to impose a payphone surcharge, and increased its toll free service charges by 3%.[8] Using the reasonable assumptions that the average completed phonecard call is 4 minutes in duration, the average uncompleted call is 30 seconds in duration and AT&T rates are $0.10/minute,[9] a 3% increase amounts to an increase of $0.00675 per call. Thus, the Sprint rate of $0.15 is 2122% higher than AT&T's equivalent increase of $0.00675. Note that when one considers that Sprint also increased its retail rate, Sprint's rate represents an even higher percentage rate increase.

PERIOD 2: 4/1/97 - 10/1/97

22. Even during the period when both LEC and private payphone owners can collect compensation charges, the level of Sprint's surcharge is excessive and unreasonable. As a result, from April 1, 1997 through October 1, 1997 Sprint's surcharge will amount to at least a $20,312,660 overcharge.[10] This assumes that all LECs began collecting compensation for all payphones as of April 15, 1997. While

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[8] *Ex Parte* Letter of Ben G. Almond, Executive Director-Federal Regulatory, BellSouth to William F. Caton, Acting Secretary, FCC (Apr. 1, 1997) citing USA Today (Feb. 26, 1997) article. Note that while Sprint increased its rates in December, AT&T did not increase its rates until the end of February. Thus, the overcharge of Sprint's charges relative to AT&T's is significantly higher than 2122%.

[9] This rate represents a conservative estimate. Typically, toll-free service rates are negotiated between IXCs and phone card providers and volume discounts apply. Because of the highly competitive nature of the phone card industry and the significance of the underlying toll-free service rates, rate information is quite sensitive and confidential.

[10] During the period April 1, 1997 to April 15, 1997, an estimate of Sprint's total costs are equal to $811,767 (equivalent to 14 /30 times a month costs of paying compensation to independent payphone providers). Ongoing, assuming that all LECs may receive compensation Sprint's monthly payphone costs may be estimated by multiplying the total number of payphones (1,850,000) times the amount Sprint must pay per month ($4.97) per phone. This equals $9,194,500 per month. Sprint's payphone costs

Sprint may incur some administration and compensation system development costs, it is likely that these costs would only be a small fraction of this estimated overcharge amount. Additionally, this overcharge amount does not factor in the savings Sprint will reap as a result of reductions in access charges from the removal of the payphone subsidies, nor does it factor in the fact that Sprint itself has 50,000 payphones. Sprint Comments of July 1, 1996 at 2 (indicating Sprint has 50,000 payphones).[11] Assuming that not all LECs began collecting compensation on April 15, 1997, the overcharges will increase in direct proportion to the number of payphones and time for which compensation was not collected.

23. Using the same approach as specified above in paragraph 19, one may determine the level of overcharges Sprint generates during the remainder of the interim period. During the period April 1 through April 15, 1997 -- the earliest date a LEC could have collected interim compensation for its payphones[12] -- Sprint's $0.35 surcharge is approximately 961% higher than the cost imposed on Sprint as a result of the interim payphone compensation plan. As of the date when *all* LECs in *every* state

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during the month of April would be $811,767 plus 16/30 (April 15 through April 30 when LECs may begin to collect compensation) times $9,194,500. This equals $5,715,500 or $6,284,500 less than what Sprint indicated in its letter to customers was the basis for setting the surcharge. During a month in which all payphone providers must be compensated, the cost to Sprint would be $9,194,500 or $2,805,500 less than what Sprint indicated in its letter to customers that it used as the basis for setting the surcharge.

[11] If Sprint's own payphones are included, the amount of overcharge is dramatically increased. The inclusion of Sprint's payphones in the determination of overcharges has the impact of reducing Sprint's costs and generating substantial revenue. The reduction in Sprint's costs are equal to the number of Sprint payphones (50,000) times Sprint's compensation amount per payphone ($4.97) times the period that these phones would be subject to compensation (April 15 - October 1, 1997, or 5.53 months). The reduction equals $1,375,033. The revenues that Sprint may receive for these payphones equals the number of Sprint payphones (50,000) times the compensation amount per payphone minus Sprint's compensation amount per payphone ($45.85 - $4.97) times the period that these phones would be subject to compensation (April 15 - October 1, 1997, or 5.53 months). This equals $11,310,133. Thus, the total impact of including Sprint's payphones amounts to increasing the amount of Sprint's overcharges by $12,685,166.

[12] This is so because if RBOCs had met all their obligations to collect compensation the Bureaus waiver Orders of April 4 and April 15, 1997 would not have been necessary.

begin collecting interim compensation rates for their payphones, Sprint's rate will still be double the cost imposed on Sprint as a result of the interim payphone compensation plan. Additionally, through May 1, 1997 the Sprint rate is approximately 5085% higher than the rate increase imposed by AT&T on phonecard providers to respond to the interim payphone compensation plan. During the period May 1, 1997 through October 1, 1997 the Sprint rate is approximately 1425% higher than the rate increase imposed by AT&T on phonecard providers.[13]

24. The overcharges imposed on the individual co-complainants demonstrates the unreasonableness and excessiveness of Sprint's surcharge. For example, on April 10, 1997, Global Link received an invoice for the payphone surcharge equal to $83,000 for two months. For this amount to be appropriate, customers of Global Link would have had to attempt over 2.5 million telephone calls[14] from payphones during this two month period, well above the number of calls Global Link would reasonably expect to receive from payphones during this time period.

25. Complainants have not filed suit in any other court or other government agency on the basis of the same cause of action described herein.

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[13] On May 1, 1997, AT&T increased its toll free service rates by 7%. This 7% increase follows the earlier 3% rate increase. AT&T Tariff Transmittal 10709, Apr. 30, 1997. Thus, the effective increase in AT&T toll free service rates is 10.2%. Additionally, on June 1, 1997 AT&T imposed a $0.35 payphone surcharge on its *own* consumer services, but specifically indicated that the surcharge did not apply to its own prepaid card services. AT&T Tariff Transmittals 10745 and 10747, May 30, 1997. Moreover, this increase did not affect other providers of prepaid card services, and confirms the price sensitivity of prepaid phonecards (*see* ¶ 8) in that AT&T did not impose the surcharge on its own phonecard services.

[14] The number of compensable payphone calls that would serve as the basis for the amount that Global Link was billed can be determined by solving the following equation for the Number of Compensable Calls: Number of Compensable Calls * $0.35 * 1 completed call/2 attempted calls * 350,000 Private Payphones/1,850,000 Total Payphones = $83,000.

COUNT ONE

26. Complainants incorporate by reference the allegations of paragraphs 1-25 as if fully set forth herein.

27. Section 276 of the Act provides that payphone service providers should be fairly compensated for "each and every completed" call. 47 U.S.C. § 276. Under Section 201(b), 47 U.S.C. § 201(b), "[a]ll charges, practices, classifications and regulations for and in connection with" interstate and foreign communications services "shall be just and reasonable, and any such charge, practice, classification, or regulation that is unjust or unreasonable is hereby declared to be unlawful."

28. Sprint has imposed a surcharge on phonecard providers for all payphone-originated calls whether completed or not, thereby reaping a large windfall under the guise that its tariff changes were required as a result of the enactment of Section 276 and promulgation of the Commission's implementing regulations. Imposing charges for uncompleted calls contravenes the express terms of Section 276 and the Commission's Orders in CC Docket No. 96-128. Furthermore, by charging phonecard providers for uncompleted calls, Sprint seeks to impose charges to recover costs that it does not incur. This practice is unjust and unreasonable in violation of Section 201(b).

COUNT TWO

29. Complainants incorporate by reference the allegations of paragraphs 1-25 as if fully set forth herein.

30. The Commission has a long-standing policy that usage sensitive charges should not be used to recover non-traffic sensitive costs and is currently moving forward with the daunting task of reforming universal service and access charges to

ensure that usage sensitive charges are not used to recover non-traffic sensitive costs. Sprint's tariff contravenes the established Commission policy and is inconsistent with the Commission's proposed universal service and access charge reforms because Sprint imposes usage sensitive per call charges, when in fact, it is subject to a non-traffic sensitive fee of $4.97 per phone per month during the interim payphone compensation period. As a result, Sprint's tariff is unjust and unreasonable in violation of Section 201(b).

COUNT THREE

31. Complainants incorporate by reference the allegations of paragraphs 1-25 as if fully set forth herein.

32. Sprint's per call surcharges of $0.15 and $0.35 for all originating payphone traffic for prepaid card services traffic during the period December 1, 1996 through October 1, 1997 are unjust and unreasonable, and therefore in violation of Section 201(b). These rates range from 100% to 961% higher than the costs imposed on Sprint depending on the time period in question and will result in an overcharge equal to over $23,000,000 that Sprint unjustly and unreasonably collects. Additionally, this charge ranges from approximately 5085% to 1425% higher than the rate increase imposed by AT&T to respond to the interim payphone compensation plan depending on the time period in question.

33. Each of these facts, standing alone, sufficiently demonstrates that Sprint's tariff surcharges of $0.15 and $0.35 for all originating payphone traffic during the period of December 1, 1996 through October 1, 1997 are unjust and unreasonable in violation of Section 201(b). Examined together, they provide overwhelming justification

demonstrating that the Commission must determine that Sprint's tariff rate violates Section 201(b) and is patently unlawful.

REQUEST FOR RELIEF

WHEREFORE, for the reasons set forth above, Complainants respectfully requests that the Commission:

(a) find that Sprint violated Section 201(b) of the Act by charging phonecard providers unjust and unreasonable payphone surcharges of $0.15 for all originating traffic during the period from December 1, 1996 to March 31, 1997;

(b) find that Sprint violated Section 201(b) of the Act by charging phonecard providers unjust and unreasonable payphone surcharges of $0.35 for all originating traffic effective April 1, 1997;

(c) find that Sprint's Resale Solutions Payphone Surcharge contained in its Tariff F.C.C. No. 2 is unlawful and therefore unenforceable;

(d) require that Sprint refund, with interest, any and all moneys collected from phonecard providers as a result of the imposition of Sprint's $0.15 and $0.35 Resale Solutions Payphone Surcharges;

(e) require that in the event that Sprint seeks to impose a different form or level of payphone surcharge on phonecard providers, that it provide detailed cost justification demonstrating that the surcharge is just and reasonable. At a minimum, this justification should provide, on a monthly basis, the number of payphones that Sprint will be required to pay compensation on, the number of completed phonecard calls Sprint expects to handle, the amount Sprint expects to pay to payphone providers and the amount that Sprint expects to collect from phonecard providers.

Respectfully submitted,

By: ____________________

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Counsel for Complainants
International Telecard Association et al.

Dated: June 5, 1997.

EXHIBIT A

TO ITA FORMAL COMPLAINT

Sprint

November 27, 1996

Transmittal No. 247

Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Attention: Common Carrier Bureau

To the Secretary:

The accompanying tariff materials are being sent to you for filing in compliance with the requirements of the Communications Act of 1934, as amended. Issued by Sprint Communications Company L.P. ("Sprint") and bearing Tariff F.C.C. Nos. 1, 2, 11, the proposed changes are scheduled to become effective December 1, 1996 on not less than four days' notice, and December 2, 1996 on not less than five days' notice.

This material consists of revised Sprint tariff pages as indicated on the following Check Sheets:

Tariff F.C.C. No. 1, 337th Revised Page 1
Tariff F.C.C. No. 1, 338th Revised Page 1
Tariff F.C.C. No. 2, 161st Revised Page 1
Tariff F.C.C. No. 11, 209th Revised Page 1

In this filing Sprint is proposing various introductions and changes to its Tariff F.C.C. Nos. 1, 2, and 11, including:

Tariff F.C.C. No. 1

- o The introduction of the Sprint Sense College Plan Standalone FONCARD;
- o The deletion of an international discount for Sprint Day Plus;
- o Per minute rate increases and reductions for Sprint Sense, Sprint Sense General International Calling Plan and Sprint Sense II General International Calling Plan direct dial calls from the U.S. Mainland to most international locations;
- o A structure change for inbound operator assisted calls from Mexico from a first three minute/additional minute structure without any per call surcharge to a first minute/additional minute structure with a per call surcharge;
- o The introduction of the USA Calling Plan from the British Virgin Islands, Dominica, Georgia and the Marshall Islands;

- The introduction of the Europe Calling Plan and the Asia/Pacific Calling Plan from Afghanistan;
- The introduction of two Sprint Sense promotions;

<u>Tariff F.C.C. No. 2</u>

- The introduction of Universal International Freephone Numbering ("UIFN") Service [note: this service is being introduced also in Tariff F.C.C. No. 11];
- The introduction of the Resale Solutions Payphone Surcharge;

<u>Tariff F.C.C. No. 11</u>

- The introduction of Interstate Switched Data Solutions and Interstate Data Business Sense services from Puerto Rico and the U.S. Virgin Islands;
- The introduction of Dial 1 Business Sense from Puerto Rico and the U.S. Virgin Islands to Afghanistan for the $00.00, $50.00, $200.00, $750.00, and the $2,000.00 per month minimum commitment levels; and
- Usage rate increases and reductions for Dial 1 Business Sense from Puerto Rico and the U.S. Virgin Islands to Bolivia for the $750.00 per month minimum commitment level and to the Ivory Coast, Nicaragua and Nigeria for the $2,000.00 per month minimum commitment level.

Finally, minor text changes and corrections to typographical errors are being made. In accordance with Special Permission No. 96-654, Sprint is providing a complete set of those Sprint tariffs (specifically Sprint Tariff F.C.C. Nos. 1, 2, 4, 5, 7, 11, and 12) on diskette which were revised in November 1996 to the Office of the Secretary and the Public Reference Room. The FCC's copy contractor, ITS, will receive only a diskette containing the changed tariff pages made under this transmittal.

The original of this transmittal letter, along with FCC Form 159 and a check in the amount of $600.00 was sent to the Federal Communications Commission, c/o Mellon Bank, Three Mellon Bank Center, 525 William Penn Way, 27th Floor, Room 153-2713, Pittsburgh, PA (Attention: Wholesale Lockbox Shift Supervisor) for delivery this date. If you need further information, please contact the undersigned at 1850 M Street, N.W., Suite 1110, Washington, D.C. 20036, 202-857-1030 (FAX NUMBERS 202-872-1792 or 202-822-8999).

Respectfully submitted,

SPRINT COMMUNICATIONS COMPANY L.P.

Mary Frances Vito

Mary Frances Vito
Senior Federal Tariff Analyst

Attachments (Diskettes)

cc: Tariff Reference Room (Diskettes) (By Hand)
ITS (Diskettes and Tariff Pages) (By Hand)
Mr. Calvin Howell (Tariff Pages Only) (By Hand)

SPECIALIZED COMMON CARRIER SERVICE
CHECK SHEET

The Title Page and pages 1 through 686, inclusive, of this tariff, are effective as of the date shown.

PAGE	REVISION	PAGE	REVISION	PAGE	REVISION	PAGE	REVISION
1	*161st	25	3rd	64	5th	102	1st
1.1	16th	26	1st	65	3rd	103	1st
1.2	*11th	27	2nd	66	3rd	104	1st
2	72nd	28	2nd	67	6th	105	1st
2.1	Original	29	4th	68	2nd	104	1st
3	64th	30	1st	69	2nd	105	1st
4	*48th	31	3rd	70	3rd	106	1st
5	6th	31.1	3rd	71	1st	107	1st
7	2nd	32	2nd	72	1st	108	1st
8	5th	33	3rd	73	1st	109	1st
8.1	Original	34	3rd	74	1st	110	1st
9	5th	34.1	1st	75	1st	111	1st
10	10th	34.2	Original	76	1st	112	1st
10.1	1st	35	2nd	77	1st	113	1st
11	9th	36	2nd	78	1st	114	1st
11.1	2nd	36.1	4th	77	1st	115	1st
12	1st	37	3rd	78	1st	116	1st
13	1st	38	1st	79	1st	117	1st
14	11th	46	3rd	80	1st	118	1st
14.1	3rd	47	3rd	81	1st	119	1st
15	8th	47.1	1st	82	1st	120	1st
15.1	4th	48	4th	83	1st	121	1st
16	2nd	48.1	4th	84	1st	122	1st
17	2nd	49	9th	85	1st	123	1st
17.1	2nd	49.1	2nd	86	1st	124	1st
17.2	2nd	49.2	Original	87	1st	125	1st
17.3	Original	50	5th	88	1st	126	1st
17.4	Original	51	3rd	89	1st	127	1st
18	5th	52	3rd	90	1st	128	4th
18.1	Original	52.1	Original	91	1st	130	4th
19	9th	53	3rd	92	1st	130.1	2nd
20	5th	53.1	4th	93	1st	130.2	4th
20.1	3rd	53.2	Original	94	1st	130.3	2nd
20.2	3rd	53.3	Original	95	1st	130.4	3rd
21	2nd	54	5th	96	1st	130.5	Original
22	7th	55	2nd	97	1st	131	12th
22.1	Original	56	12th	98	1st	131.1	3rd
23	8th	57	5th	99	1st	132	5th
24	5th	58	1st	100	1st	133	6th
24.1	4th	60	4th	101	1st	133.1	5th

* New or revised page.

SPECIALIZED COMMON CARRIER SERVICE

CHECK SHEET (Continued)

PAGE	REVISION	PAGE	REVISION	PAGE	REVISION	PAGE	REVISION
243	3rd						
244	2nd	267.15	1st	267.47.1	Original	275.1	4th
245	1st	267.16	1st	267.48	Original	275.2	3rd
246	2nd	267.17	1st	267.49	1st	275.3	3rd
247	2nd	267.18	1st	267.50	2nd	275.4	3rd
248	3rd	267.19	1st	267.51	2nd	275.5	3rd
249	3rd	267.20	1st	267.52	2nd	275.6	5th
250	3rd	267.21	1st	267.53	2nd	275.7	4th
251	2nd	267.22	1st	267.53.1	Original	275.8	*5th
252	3rd	267.23	1st	267.54	1st	276	3rd
253	2nd	267.23.1	Original	267.55	2nd	277	3rd
254	2nd	267.24	1st	267.56	1st	278	1st
255	3rd	267.24.1	Original	267.57	2nd	281	3rd
256	3rd	267.25	2nd	267.58	1st	282	3rd
257	3rd	267.25.1	Original	267.59	1st	283	1st
258	3rd	267.25.2	Original	267.60	1st	284	2nd
259	2nd	267.26	1st	267.61	2nd		
260	2nd	267.27	1st	267.62	2nd		
261	1st	267.28	Original	267.63	1st		
262	2nd	267.29	Original	267.64	1st		
263	3rd	267.30	2nd	267.65	2nd		
264	2nd	267.31	1st	267.66	1st		
265	2nd	267.32	1st	267.67	2nd		
266	3rd	267.33	2nd	267.68	2nd		
267	3rd	267.34	2nd	267.69	2nd		
267.1	2nd	267.35	2nd	267.70	2nd		
267.2	2nd	267.36	2nd	267.71	2nd		
267.3	2nd	267.37	2nd	267.72	1st		
267.4	2nd	267.38	2nd	267.73	1st		
267.5	2nd	267.38.1	Original	268	4th		
267.6	2nd	267.39	1st	269	3rd		
267.7	2nd	267.40	2nd	270	3rd		
267.8	2nd	267.41	1st	271	3rd		
267.9	1st	267.42	2nd	272	3rd		
267.10	1st	267.43	2nd	273	4th		
267.11	1st	267.44	1st	274	4th		
267.12	Original	267.45	2nd	275	7th		
267.13	2nd	267.46	2nd				
267.14	1st	267.47	2nd				

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